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Review of the programme of work 2014-2015

Overview of the progress made of a study on land registration and cadastre agencies

Note by the Bureau of the Working Party on Land Administration

Summary

At its eighth session in March 2013, the Working Party approved its programme of work 2014-2015 (ECE/HBP/WP.7/2013/3). This programme of work included a study of the organizational structure of land registration and cadastre agencies. Specifically, the Working Party was asked to analyse the effects of the merging of land registration and cadastre institutions. This document presents preliminary research undertaken by ECE on this topic. It is planned that the final publication will be submitted to the Committee for endorsement at the Committee's seventy-sixth session in 2015.

The Working Party on Land Administration is invited to take note of the information provided.

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I. Introduction

1. Land administration is defined by ECE, as "the processes of determining, recording and disseminating information about the ownership, value and use of land when implementing land management policies" (ECE 1996). As a result, in a land administration system, different important data elements can be distinguished: first, an identified piece of land, and second, information such as the ownership, use and value data of that piece of land.

2. Within the ECE region, the way in which data on these elements is collected and managed differs considerably. In some countries, the identification of the land is executed by a separate organisation (often-called cadastre) than the registration of data (often called land registry if it concerns ownership data). In other countries, the two tasks are undertaken by in one organisation.

3. In recent years, a number of countries have merged these two types of organizations; the Working Party is now investigating this phenomenon with the aim to understand if a relationship can be determined between the organizational structure and the quality of services of land administration organisations.

4. The study is being led by the Dutch Kadaster (the Netherlands' land registration and mapping agency) with the support of the Bureau of the Working Party. Thus far, the methods used have included: 1) an analysis of the link between measures of the quality of land administration services and the properties of land administration systems and 2) interviews with representatives of land administration authorities to determine their impressions of the advantages and disadvantages of merging cadastre and land registration functions in one institution. The following sections describe the preliminary results of the study.

II. Comparison between indicators on the quality of land administration services and organizational structures

5. Two studies, which both aim to measure the quality of land administration services, were compared:

(a) The section "Registering property" from the 2013 *Doing Business* report (World Bank 2013) and the associated survey on this section and

(b) The Working Party's *Survey of Land Administration Systems* (ECE/HBP/180)

6. *Doing Business* measures the ease of registering property for all participating countries and publishes a ranking based on this survey. Three elements are measured to determine the ease of registering property: the number of procedures cost and time.

7. *Doing Business* is based on an important quality aspect, ease of registration, but this is not the only quality aspect that is relevant for land registration and cadastre organisations.

8. The *Survey of Land Administration Systems* inventories many land administration quality issues in ECE member States and does not include a ranking. The *Survey of Land Administration Systems* made an inventory of a wide array of quality aspects for land registration and cadastre organisations.

9. To analyse the results of the two surveys, the Working Party compared the *Doing Business* ranking with several organisational and financial aspects of work of land administration agencies examined in the *Survey of Land Administration Systems*. The analysis was looking for answers to the following questions:

- Whether a cadastre or land registry is merged or not. (This is highly correlated with the presence or absence of a civil-court property registration system.)
- The cost of registering property

- The speed of registration
- The percentage of a country's land that is registered.

10. The results of this analysis showed the following. Countries with merged cadastre and land registration organisations rank, on average, 38 out of 189 countries in *Doing Business*. Countries with separate organisations rank, on average, 47. There does not seem to be a strong correlation between ease of registration and the merging of these agencies.

11. The ten least expensive countries for registering property (according to the *Survey of Land Administration Systems*) rank, on average, 23 in *Doing Business*, while the 10 most expensive countries rank, on average, 56 in average. This correlation is to be expected, since the ranking in *Doing Business* is based, in part, on registration costs.

12. The ten countries where it is the fastest to register property (according to the *Survey of Land Administration Systems*) rank, on average, 40 in *Doing Business*, while the 10 slowest rank, on average, 62. Again, this correlation is expected.

13. The countries that report 100 per cent registration coverage rank an average of 44 in *Doing Business*, while the others rank an average of 67.

14. *Doing Business* gives an overview of a wide number of elements that are relevant for doing business and, in that sense, can be thought of as a high-level snapshot of a country's economy.

15. The World Bank report however does not allow a full assessment of the quality of land administration organisations, as on the one hand, it includes elements that are outside the sphere of influence of land administration organisations (like transfer taxes) and, on the other hand, it does not look at certain important quality elements (like completeness of registration). The *Doing Business* report does not show that merged organisations work significantly better than unmerged organisations.

III. Results of interviews with representatives of land-administration agencies

A. Background

16. To better understand discussions on the potential mergers of cadastres and land registers, representatives from cadastre and land registration agencies of ECE member States were requested to write a short description of their opinions related to the unification of cadastres and land registries. These descriptions were used to examine mergers in land administration and the breadth of related actions, beliefs, opinions and arguments. In many cases, the information collected is not directly about a particular merger, but describe the feelings and associations, which the staff have when talking about mergers.

17. Out of the 15 contributions on the unification of cadastres and land registries, from both Western and Eastern European countries, the following issues were reviewed: the situation at the beginning and the context and location in which the system takes place; the external or internal crisis that caused damage; the reaction to the crisis; those who benefited from or were affected by the event; and the situation at the end.

B. The original context of the organizations and possible starting point of mergers

18. Some land registries and cadastres have existed for more than 200 years (usually in Western European countries) while others were established just 10 years ago (usually in newly emerging economies). Hence, the origin of the institutions, the historical paths these institutions have followed and their gradually developed organizational cultures can indeed play a role in the discussions on mergers.

19. In most cases, the starting point for a merger was a statutory law or change arising from the need to regulate to allow the exchange of harmonized data between different computer systems (interoperability). Ireland is one of the exceptions where the merger, in 2012, originated from a strategic public service reform plan for the entire public sector.

20. In those countries where mergers took place, it is acknowledged that while, legally, the organizations are merged, and the merging of operations may take quite some effort and time. Furthermore, a merge between organizations does not automatically imply a merge between databases.

21. Both functions, in cadastres and land administrations are not usually found together, (i.e. already merged). In most cases, land registries and cadastres have been stably maintained separately since their founding. Merger discussions emerged predominantly in the late 1900s.

C. The normative framework in merger discussions

22. The goals in almost all stories are efficiency and modernization. Time is apparently the most important factor against which one has to compare all organizational decisions. If a merger does not improve time efficiency, it is considered a negative decision. Mergers as a result only make sense if they somehow improve efficiency. This makes most other decision criteria inferior. Without improvements in efficiency, one cannot be seen as modernized. Organizations that are perceived to have a positive experience in addressing these factors are predominantly organizations like ECE, the European Union, the World Bank and other countries as exemplary cases.

23. There is a preference for either a more hierarchical structure or clearer operating principles after a merger and stronger coordination and legislation after the alignment of inter-organizational processes.

D. Those who benefited by a merger or other organizational change

24. Most respondents identify clients as the main beneficiaries of changes in organizational structure. They benefit once land-administration organizations prioritize customer service; before the merger or re-organization of activities examined, clients were reported to often suffer from poor services or long processing times.

25. In some occasions, cadastres and registries perceive themselves as being harmed from the merger or the automation of activities, because of increasing dependence on information-technology personnel.

E. The story of mergers – arguments and motivations

26. The majority of stories provide evidence that information technology and changes in the law are the main drivers for change in the interaction between the land registry and the cadastre. Remarkably, it is not the reform of government per se, which is the driver for change, but the consequences of aligning information-technology processes. Therefore, according to most respondents, the main changes are not in organizational structures, but rather changes in processes and coordination of inter-organizational computer systems. Interoperability (i.e. the ability to exchange data having the same structure and meaning) is the end goal and not the merger itself. Hence, interoperability and maintaining or improving service capabilities are considered more crucial than changes in organizational structures.

27. One particularly striking trend is the suggestion that customers are better serviced online, rather than in person, by having some services performed remotely.

28. Another trend is an increase in standardization and reliability. These are perceived as key elements for maintaining trust and legitimacy. Uniformity and legitimacy are also closely associated with being better than other administrative systems and avoiding redundancy or overlap.

29. Additionally, many refer to cost-efficiency as a core value. Apparently, new public management values have influenced land registries and cadastres in all ECE member States. The process of merging can take between 1 and 20 years.

F. Conclusions

30. Most respondent agencies did not foresee major changes in their structure in the near future: i.e. when mergers have taken place, agencies will remain merged; where they have not, agencies are not likely to merge in the future. Most agencies are comfortable with the current structure and extent to which interoperability is being achieved. This tendency to preserve the status quo is strongest in agencies, which have not merged. For agencies where the merger took place, challenges are still perceived ahead.

31. The stories suggest that most agencies are working to achieve greater efficiency and effectiveness. In most cases, this modernity is closely associated with the use of information technology (including web services, electronic submission and virtual customer handling) to make processes less expensive and faster. This also implies that organizations can be more neutral and trustworthy by embracing these solutions and that, in turn, customers will also embrace them. However, building quality, customer satisfaction and trust in the service may not imply technology-driven improvements alone, but also more time and attention to customers' individual needs.

32. In most cases, de facto mergers have taken place, in an operational, if not legal, sense. All of the stories suggest an increase in interoperability and operational alignment. Surprisingly, neither the discussions on the United States government's National Spatial Data Infrastructure[1] nor the European Union's INSPIRE (Infrastructure for Spatial Information in the European Community)[2] directive seem to be a driving force for change. Neither do reform programmes such as digital or e-governance programmes. Mergers seems to be limited to these two types of organizations or two types of inter-organizational processes and product lines only, and not to the reform of the Government as a whole. All other actors (such as customers, citizens, private sector, professionals) are considered external to the discussion; there is a strong internal focus.

33. The language and comparisons that the authors of the stories use suggest an inclination towards technical and positive comments. Examples of such expressions include the frequent references to "systems" instead of "organizations" or "agencies"; metaphors such as "the centre of gravity of the customer structure"; "customer service at the core of everything we do"; numerical reference referring to size and quantity instead of values, types, priorities or qualities ("coordination between the two departments became bigger and bigger"; "this requires a big reform"; "given the number of problems in land administration"; "the government decided to reduce the number of courts"; "work is done twice"). Issues or problems related to mergers seem to be highlighted only if these are quantified and expressed as part of a ranking system in the survey instead of specifically identifying and classifying the issues.

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[1] Federal Geographic Data Committee (FGDC) (https://www.fgdc.gov/nsdi/nsdi.html)
[2] http://inspire.ec.europa.eu/

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